



REPORT OF THE NATIONAL SEMINAR ON

# CONSUMER COOPERATION IN IRAN

Teheran (Iran)

May 18-29, 1969

**INTERNATIONAL COOPERATIVE ALLIANCE**

REGIONAL OFFICE & EDUCATION CENTRE FOR SOUTH-EAST ASIA

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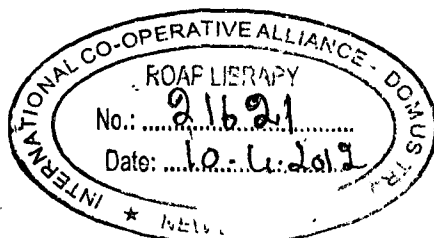
Organised by

The Central Cooperative Organisation of Iran  
Fisherabad Avenue, Teheran

in collaboration with

SEPAH CONSUMER COOPERATIVE  
Koutche Artesh  
Avenue Sevvom Esfand  
Teheran, Iran

INTERNATIONAL CO-OPERATIVE ALLIANCE  
Regional Office & Education Centre for  
South-East Asia  
43, Friends' Colony, New Delhi-14(INDIA)



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## P R E F A C E

This document, entitled "the Report of the National Seminar on Consumers Cooperation in Iran" is an outcome of the discussions conducted at the Seminar held at Teheran. The seminar was conducted by the Central Cooperative Organisation of Iran through the Persian medium. Background and working papers prepared by the ICA Resource Persons were translated into Persian for the use of the participants. The discussions held at the various sessions of the Seminar were interpreted into English for the ICA Resource Persons. The final report of the seminar, which was adopted by the Seminar at its final session, was in Persian. The ICA was later on supplied with a copy of the report in English. The present document is based on the English version of the report.

The report has been divided in the following manner :

1. Introduction to the Seminar
2. Objectives of the Seminar
3. Proceedings of the Seminar
4. Main recommendations of the Seminar

The appendices include the following :

- A. Brief summaries of lectures
- B. Programme of the Seminar
- C. List of Participants
- D. List of papers circulated
- E. A Select Bibliography on Consumer Cooperation

Additional copies of this document are available with the Publications Department of the ICA Regional Office and Education Centre for South-East Asia New Delhi.



Ragnar Arvidsson  
Joint Director (Administration)  
ICA Regional Office & Education Centre  
Seminar Leader

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INTERNATIONAL COOPERATIVE ALLIANCE  
Regional Office & Education Centre  
for South-East Asia  
43, Friends' Colony, New Delhi-14 (INDIA)

S/November 28, 1969

REPORT

OF THE

NATIONAL SEMINAR ON CONSUMERS' COOPERATION IN IRAN

Introduction

A national seminar on Consumers Cooperation was organised by the Central Cooperative Organisation of Iran in collaboration with the International Cooperative Alliance Regional Office and Education Centre for South-East Asia and the Sepah Consumers Cooperative. The Seminar was held at Teheran at the Institute of Cooperative Education and Research of the University of Teheran between May 18 and 29, 1969. The ICA made available three officers to act as resource persons to the Seminar. Mr. Ragnar Arvidsson, Joint Director in charge of Administration and Finance at the ICA Regional Office and Education Centre directed the seminar and his two colleagues, Dr. D. Vir, Joint Director, Education Centre, and Mr. Daman Prakash, Publications Assistant, assisted him.

The Seminar which was attended by 39 Iranian General Managers and Board members of consumer cooperatives, was inaugurated with a message received from the Prime Minister of Iran.

The ICA Regional Office and Education Centre contributed to the seminar, in addition to the provision of three of its staff members, to work as resource persons, by way of preparation of working and background papers on various technical subjects related to consumer cooperation and by assisting in working out a detailed programme of the seminar.

The host organisations contributed by providing local facilities to the seminar, such as guest lecturers during the period of the seminar.

### Objectives

The seminar was of the nature of a basic course in consumer cooperatives dealing with ideological aspects as well as some questions concerning management of consumer cooperatives in Iran. The Consumer Cooperative Movement in Iran has made headway in the country because of several reasons. They are, among others, greater urbanisation, more industries, and incentives from the government.

The seminar therefore provided a unique opportunity to the Iranian participants to learn about consumer cooperative experiences in other countries and to compare their progress with their own and to look out for avenues of further development of the Movement in Iran.

### Proceedings

All papers presented by the ICA were translated into Persian by the Central Cooperative Organisation and distributed among the participants. The entire seminar was divided into three groups which discussed the various subjects in detail and presented their opinions in the plenary sessions. At the end a final plenary session was held which discussed the consolidated draft report of all the groups, which later on became the report of the Seminar.

### Recommendations of the Seminar

The seminar made the following recommendations for implementation by the Cooperative Movement in the country :

1. The participants found the organisation of the seminar most useful.

It provided a unique opportunity to the participants who were

directly responsible for the organisation of consumer cooperative stores in the country.

2. The seminar noted with great satisfaction the method and presentation of technical papers by the ICA personnel. The seminar participants found these presentations most appropriate as they could now plan further improvements and developments in their own stores in the country.
3. Keeping in mind the present situation of Cooperative Movement in Iran, and the support extended to it by the Government, efforts should be made to bring more and more people in its fold. This Movement was considered to be an important tool in the social and economic development of the country.
4. The seminar felt that the cooperative principle on Education and Training should be ranked second in order of priority as it is through the medium of instruction that Cooperative Movement could be taken to all corners of the country and to cover all shades of people.
5. The seminar felt that between 2 and 5 per cent of surplus of cooperative institutions in the country should be set aside by law to be used in cooperative education and training programmes. This goal could be achieved by making suitable changes in the existing cooperative legislation in force in the country. Without this provision in the law, such a collection would be difficult.
6. The statutory deductions from the funds of cooperative institutions could be utilised in the following manner in order to spread the Cooperative Movement in the country.
  - A. by organising training programmes for cooperative members and office bearers;
  - B. by providing training and education facilities to the employees of cooperative institutions;

- C. by making arrangements for exchange of information on latest developments in cooperative movements within the country and with outside world.
7. In order to make cooperatives in Iran most effective and useful, the seminar felt that efforts should be made to develop the movement by arranging training programmes for the cooperative leaders with the help of regional and international organisations which have men and resources at their disposal.
  8. Long-term planning should be made under which transactions with members could be made on cash basis rather than the present system of credit, which is so much in vogue in Iran. By adhering to cash basis transactions, the societies will be able to provide more and diversified services to their members.
  9. With the rapid urbanisation and growing traffic problems, planning of Department Stores and big Super Markets within the city limits is a difficult task. Also it is extremely necessary to provide services to a major part of the population at reasonable prices. This problem cannot easily be solved by having a number of small independent cooperative societies with their shops within the city mostly catering only to the members who also are employees in a particular government department etc. (institutional type of societies), as this proposition is going to be an expensive one and which needs a lot of imagination, finances and efforts. The best solution, according to the seminar, was that large cooperative stores should be organised which should have a number of branches situated at most useful points within the city with open membership so that a number of people could take advantage of cooperative stores.



10. Until such time, the Seminar felt that the existing cooperatives in a city/town or some other suitable area should form a federation of their own. This federation of consumer cooperative stores could undertake the following tasks:
  1. buy goods of daily requirements in bulk directly from the manufacturers,
  2. arrange a centralised warehousing facility,
  3. arrange distribution of commodities among the various affiliated cooperative stores throughout the city,
  4. maintain uniform standards and qualities throughout the cooperative stores,
  5. maintain a uniform price structure.
  6. undertake training and education programmes for the employees and members of cooperative stores.
  7. provide other services, facilities etc. to the cooperative stores.
  8. to act as a spokesman of the entire consumer cooperative movement.
11. This federation of consumer cooperative stores should be an independent organisation with financial support from its affiliated member-organisations. An agreed code of conduct could be drawn which could be followed by the federation and the affiliated cooperative stores and according to which business and other transactions could be undertaken. This federation would then be in a position to work out a uniform purchase policy, quality control, negotiations with the producers and training and other public relations activities etc. on its own behalf and on behalf of its affiliated member-stores. In the long-run this federation could be converted into a big primary society with the shops of the present societies converted into branches.
12. In smaller areas where effects of urbanisation have not yet been felt, and where a big Department Store/Super Market would not be economical,

the seminar felt that efforts should be made to organise one central cooperative consumer store with a well-equipped show-room. This central store could be formed by amalgamating existing small consumer cooperatives operating in that area. The selling centre of this central store could be located in such an area where everyone could reach easily.

13. Cooperative societies are organised by a particular group to satisfy a particular requirement. Before a cooperative is organised, the Seminar felt that the following points should be thoroughly discussed and considered.
- A. need of organising a cooperative society,
  - B. determining the main need of the community or group organising the society,
  - C. elimination of middlemen from the business,
  - D. financial and social status of the members willing to become founder-members and who would join later on,
  - E. extent of government assistance available, and
  - F. other relevant factors.
14. It is not denying the fact that cooperative societies are organised to satisfy the needs of a particular group which is willing to be united and undertake social and economic obligations. Similarly, consumer cooperatives are organised to provide several services to their members including provision of those commodities which are in short supply. Consumer Cooperatives are therefore considered to be a useful economic tool which could be directed to the welfare of the community. In order to achieve welfare of the community and ultimately of the country as a whole, the consumer cooperative movement needs to be expanded.

The Seminar felt that in order to expand the movement to serve a useful purpose, proper education and training should be provided to the members and employees working to achieve this goal. In Iran such education and training facilities are provided at present by the Central Cooperative Organisation of Iran. The Central Organisation, like other such organisations, has been organising special training courses for the officers and workers engaged in the work of cooperative movement.

The Seminar therefore felt that efforts should be made to organise consumer cooperative federations in the country which could undertake such tasks extensively throughout the country. This Consumer Federation could then undertake special responsibility of training employees and workers of consumer cooperatives in the following manner :

- A. by arranging specialised training programmes for the employees of consumer cooperatives (short term courses - practice oriented).
- B. by providing special training programmes on management, accounting, auditing etc.
- C. by providing assistance in educating people as to how to organise consumer cooperatives.
- D. by helping in strengthening the applicability of cooperative principles and practices in the country.

15. The Seminar, which was attended by senior persons who control the activities of consumer cooperatives in several parts of Iran, considering the importance of training programmes in cooperative movement, recommended the following :

- A. Education in cooperation should be imparted right from the primary schools to the university level. This education in cooperative principles should be combined with practical part by way of enabling the students to organise and operate school and university cooperative organisations, like consumer stores.
- B. In order to spread the cooperative education and training programmes in a larger area and to cover more and more people, efforts

should be made to make fullest possible use of the existing communication media like the radio, TV, press, books and other publicity material. Such efforts are being made in Iran but on a rather limited scale. These efforts need to be intensified.

- C. Members of the Revolution Corps and the classes of National Committee for world wide combat against illiteracy be used extensively for guiding the people to form and operate cooperative societies.
- D. Cooperative training for members of cooperative societies could be done in the form of study circles or study groups. All efforts concerning training and education should be made within the folds of the consumer cooperative federations.
- E. Arrangements should be made for the members of cooperative societies to enable them to visit successful cooperative societies and let them learn advanced techniques and the secret of their success.
- F. The Seminar recommended that until such time when the consumer cooperative alliance are fit enough to undertake these activities, the Central Cooperative Organisation should continue to render these services. Already such a lead given by the Central Organisations has been welcomed by the Movement in the country.

16. A number of cooperative societies had unfortunately failed in giving proper services to their members. This failure has led a number of members and others to believe that cooperatives are not helpful which means they have lost confidence in the cooperative movement.

In order to restore that confidence and also to enable the cooperatives to render useful services to their members, the Seminar opined as under :

- A. Encourage the members to purchase additional shares.
- B. Educate the members in the principles and practices of cooperation so that they understand the value of the movement.
- C. Encourage the members to purchase additional shares and the share deposits could be made by way of instalments. Also

the members could be encouraged to make deposits with the societies to cultivate in them the habit of small savings.

D. Maintain sufficient reserve funds in the society.

17. In the management of cooperative societies in Iran, the management aspect has not been very much attended to. The Seminar therefore recommended that if the societies were to be effective, useful and paying concerns, it would be extremely necessary to consider application of modern management skills in the business transacted by the cooperative societies. Consumer cooperatives are considered as commercial concerns and therefore they need to be handled like commercial establishments with modern methods of management, accounting etc. With the help of introduction of management methods and techniques the societies will be successful.

18. The seminar considered the views presented by the lecturers so far as the shop planning, layout and selling techniques etc. are concerned. The seminar also noted the points brought before it by the lecturer regarding the utility of having good salesmen who are familiar with the operation of a cooperative consumer store.

A good shop plan, layout, merchandise display and well trained salesman, give a good presentation (image) of the store to a customer. It is therefore important that these aspects are kept in close view while setting up or expanding a consumer cooperative store.

The seminar therefore recommended that :

- A. A consumer store should have a good location and layout.
- B. It should have good merchandise display.
- C. It should have good and sincere salesmen who are familiar with the techniques of selling, relationship with the customers and with cooperative principles and practices.
- D. Adopt various methods related to sales promotion.

- E. It should have an assortment matching with the customers purchasing powers and demands.
  - F. It should work in such a way so as to restore confidence in it among its members and customers.
19. The seminar felt that in order to implement modern methods with regard to retailing, the societies had to get proper assistance from a central body. A Consumer Cooperative Federation could on a national level take up activities related to consultancy service within the fields of sales management, Personnel Management as well as Financial Management inventory management. The activities of the National Federation could be further extended to cover even wholesaling and later on production.
20. The Seminar felt that the recommendations made by it, if implemented, would go a long way in making the cooperative movement of Iran successful one.
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SUMMARY OF LECTURES DELIVERED AT THE SEMINAR1. COOPERATIVE PRINCIPLES

A cooperative society should be considered as an association among persons as human beings with equal status for mutual service.

It is expected to practice all the cooperative principles as described in the report of the ICA Commission on Cooperative Principles. A gist of these principles is indicated below :

1. Voluntary membership
2. Democratic administration
3. Limited interest on share capital, if any
4. Just disposal of surplus (savings)
5. Provision of cooperative education
6. Cooperation among cooperatives.

These principles deal with the social, economic, moral and educational aspects of cooperative movement.

2. ROLE OF CONSUMER COOPERATIVES IN CONSUMER PROTECTION

The consumer who is supposed to be the final controller of free economy has been enslaved by commercial enterprises. In his everyday life he has to face such problems as high prices, shortages of goods and services, shortage in weight, poor quality or adulterated goods, unhygienic handling and storage of goods, misleading advertising. The consumer is not prepared to face all these problems as he is either ignorant or not conscious about them. Even if a section of consumer is not conscious, it is not organised enough to take any effective action, the consumer is not well-informed about the goods and services available in the market. Finally, he is not conscious of the need of household

budgeting and making savings. So he is spending beyond his means and is often incurring debts.

The plight of consumers in Iran can be imagined with the help of recent report released by the municipal economists of Teheran. They reported that the present system of marketing of fruits and vegetables in Teheran added upto 40 per cent to the price of produce for the services they never rendered. The lists of middlemen is so long that by the time the produce reaches the consumers, prices trebled. Also because of poor handling of vegetables, fruits, 40 per cent of all produce was never consumed. The municipality of Teheran has therefore been contemplating on modernising the distribution system. The consumer cooperatives can make useful contribution towards consumer protection by (a) providing alternative to the consumer developing their own supply and educational agencies (b) strengthening legislative and other measures, (c) exercising in general a healthy effect of operations and practices of private merchants.

The action developed by the ICA and a large number of its affiliated organisations to promote greater enlightenment of consumers and more effective protection of their interests include efforts to influence the legislative and administrative measures of government as well as the opinions, attitudes, and policies, of national cooperative movements. For example, the consumer cooperative movement in Sweden has a national cooperative union and wholesale society. It undertakes various measures for consumer protection through its various departments. Some of the measures are given below :

1. Test kitchen for testing foods, kitchen equipment
2. Textile laboratory to test cooperative products and give standard marks
3. Food laboratory to test meat etc. to give standard marks
4. Consumer information departments.



In addition each big departmental store has information department. The government of Sweden also has sponsored national level institutions for consumer protection and information. These institutions are independent, although they are financed partly by the government and partly by the cooperatives and private enterprises. The Swedish housewives take keen interest in consumer education and give active support to various protection measures.

To protect the consumers in Iran effectively, the consumer cooperative movement has to take initiative of course, through efficient business service, education for its members and other consumers, consumer cooperatives can make an effective contribution towards consumer protection. They should develop a strategy of consumer protection, and implement it with the help of relevant agencies. Some of these agencies are :

1. Government departments
2. Municipalities
3. Social organisations, e.g. consumer associations, women organisations, etc.
4. Trade Unions, professional associations
5. Research institutions and standardisation institutions
6. Educational institutions
7. Mass media, such as press, radio, TV

Nevertheless, the consumer cooperatives have to first improve their business and service to consumers and win their confidence. It is necessary to organise a national federation of consumer cooperatives in Iran which should help these cooperatives in business, supply, educational, consultancy, and other matters related to consumer protection and welfare.

It should also shoulder the responsibility of consumer protection through developing healthy public opinion on consumer questions. The consumer cooperatives should also initiate formation of consumer councils at different levels with the help of enlightened citizens, welfare organisations and relevant government departments.

### 3. SIZE AND STRUCTURE OF CONSUMER COOPERATIVE

The lecturer dealt with the economic implications of a large sized cooperative compared with a small sized cooperative and the various advantages with large sized societies from the economic point of view was outlined. However, in a large society it is very difficult to have a direct representation in the general meeting but on the other hand the societies ; will make it possible to have a full fledged department dealing with matters relating to member education and membership relations. So even from the democratic point of view such a large society has an advantage. In the long term probably the only solution for creating a strong consumers cooperative movement is large sized societies with big shops.

The seminar discussed the possibilities to implement large societies in Iran and as most of the present societies are belonging to a group of employees, the seminar found that the only way to strengthen the present societies and achieve some of the advantages in a large society is that small societies in a city should become members of a consumer cooperative union in the same area. However, in the long term the seminar pointed out that the union of a town/city should if possible be treated as a future society as the present small societies should be merged into this union and later on converted into a larger society with many branches.

### 4. PARLIAMENTARY STRUCTURE IN THE CONSUMER COOPERATIVE SOCIETIES

At present there are no national level cooperative organisations in the field of consumer cooperation in Iran. Also there is no comprehensive cooperative law to regulate different types of cooperatives. Efforts are therefore being made by the Central Cooperative Organisation to enact a new cooperative act, which would set a pattern for parliamentary structure of cooperatives at

different levels. It is hoped that the Cooperative Movement will be consolidated under different national level organisations which would be as follows:

National Federation of Agricultural Cooperatives

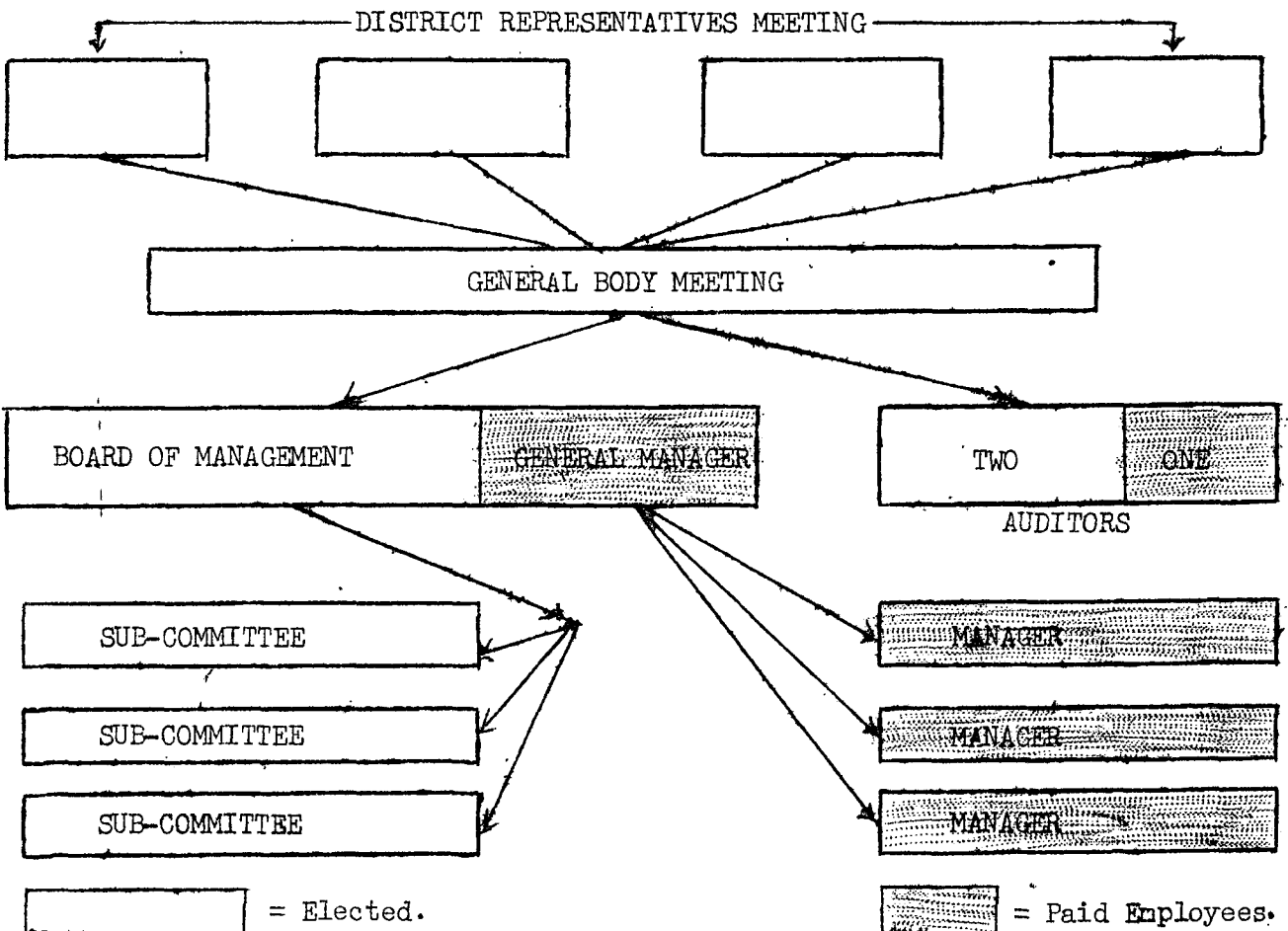
National Federation of Consumer Cooperatives

National Cooperative Service Organisations

The provision of indirect democracy would also be made in the new Cooperative Law.

The parliamentary structure of consumer cooperative societies in Sweden was discussed. It was noted that in small-sized cooperatives there is direct democracy whereas for large sized societies indirect democratic structure has been evolved. This structure is given in the diagram below.

In parliamentary structure shown in diagram II which is larger sized cooperative indicates a recent development. These societies' board of directors is large in size, so it elects a small board of management which consists of full-time employees. The board of management looks after routine business of the society.



5. ORGANISATION, ACTIVITIES AND OBJECTIVES OF A NATIONAL CONSUMER COOPERATIVE FEDERATION/UNION

The lecturer stressed the importance of strong national bodies and stated that this was probably the best way for achieving coordination to strengthen the consumer cooperative societies resulting in the consumer cooperatives making a real impact on the market. The functions of such a national body should be the following: (a) purchasing and production (goods should be dispatched to the societies through warehouses operated by the national body), (b) consultative services concerning planning of consumers cooperatives and their retail outlets, operation of the same and various aspects concerning effective marketing of the goods in the societies-shops, (c) functions related to personnel management and training such as facilities in staff training for the affiliated societies, to be able to facilitate the need of good managers in future, the federation could also work as a cooperative labour exchange. Through this exchange and through training facilities offered by the federation, a cooperative labour market and managerial staff cadre could be created; (d) matters related to consumer protection, member education, leadership development etc. are several other important functions as these aspects have to be tackled at a national level as well as at the society level. The various methods for staff training as well as member education could be such as correspondence courses, class room training, study circles; (e) financial assistance and service was also indicated as an important function of the consumer cooperatives' national body.

The lecturer also dealt with the importance of integration of the above mentioned functions and in the long run it should probably be an advantage if the functions could be offered by one body. It means that all the consumer cooperative societies all over Iran, in one way or another should be affiliated to one national body which would offer all the above mentioned facilities to members.

## 6. SHOP PLANNING

The importance of decision making in establishing a retail outlet is today too often neglected. The management is not aware of the long term implications for such a decision and the large amount of money involved. To overcome this problem and to have a sound decision taken in a systematic way, first, a feasibility study must be worked out, taking the number of inhabitants, number of members, their purchasing power and increasing consumption and changes in money value into consideration. The transportation and communication system within the area concerned is also <sup>a</sup>very important factor which affects the feasibility study.

The feasibility study should give the previous trends in development (5 years or so) and the development expected at least five years ahead.

The feasibility shall be followed by an analysis so far as the location of the retail outlet is concerned. The basis for such an analysis will be the above mentioned feasibility study. When locating a shop of course in addition to the feasibility study the present and future competition within the area has to be taken into consideration.

The allocation of space required both for selling and non-selling areas, is another step to be considered in shop planning. Even space for parking of cars has to be considered as the customers today and probably in the future will come by car to the shop. When allocating the space, it should be kept in mind that future expansion could be possible and therefore the building should be planned and constructed in such a way that necessary selling areas etc. could be added without much difficulty.

The economic implications are worked out in investment budget giving information about the need of capital for financing and also the yearly rent.

The investment budget gives the management an indication of the advantages and disadvantages in constructing their own building or renting the premises. The last step in shop planning is operation budget, (working budget) giving the economic results of the investment and it is of great importance that such a budget shall cover not only ~~one~~ year but the years to come as a positive economic result of an investment will probably come after approximately two years of the operation of the store.

#### 7. SUPER MARKET ORGANISATION

The lecturer dealt with the importance of establishing super market and self-service systems as these types of retail outlets are the future pattern in retail trade due to customers' demand of wider assortment in right environments and also the economic implications in handling goods in retail store. The lecturer dealt with the techniques of planning of super market such as entrance, and exit, shop equipment, commodity allocation, shelves layout, merchandise display, price marking, assortment, various control devices.

The seminar discussed and agreed that super markets should be established to a great extent by consumer cooperatives and that the super markets should be planned according to the points indicated in the lecture as well as points mentioned under shop planning, and techniques of effective salesmanship. They also pointed out the necessity of having advice from a national body in matters related to planning and running as well as financing of ~~these~~ retail units as the managers of the consumer societies do not have sufficient knowledge about this new type of retail outlets.

#### 8. TECHNIQUES OF EFFECTIVE SALESMANSHIP

The consumers are nowadays forming a permanent impression about the retail outlet. Due to these impressions shops are rightly or wrongly compared with

each other and it is ultimately these impressions among the customers which determine their choice of a particular shop. This is probably one reason why the trend has changed (and is changing) from a sellers' market to a buyers' market. It was stressed that the consumer cooperatives have to be business oriented, and have to compete with the private sector on more or less equal terms using effective techniques of salesmanship and other managerial tools etc.

The lecture dealt with the various matters as to how to create a good image of the consumer cooperative stores, in the minds of members and customers. In order to improve the image of the consumer cooperatives, the following points were considered by the seminar : (a) attractive shop frontage; (b) layout and location of goods, with a view to get the customer to visit all the various sections and departments of the stores and also to be attracted by the display of goods in shelves, and other display techniques. It was stressed that a selection of magnet commodities should be displayed in such a way that all departments were visited by the customers. It was also stressed on the importance of choosing right colour combinations for various category of goods, prepacking and price-marking, sufficient lighting and right type of furnitures and fixtures; (c) the need of proper salesmanship in the store was also discussed; (d) the main discussions was however around the various sales promotion techniques such as systematic planning of sales activities according to the various occasions during the year and also the various types of advertising to push up sales. It was stressed that the consumer cooperatives should start sales promotion advertising. Such advertising should, however, be consumer-information oriented so as to protect the customers from cheap publicity of sub-standard goods (tricks, slogans and subjective messages). An example of how such an integrated sales promotion activity could be implemented in a store was also described; (e) the lecture also dealt with the customers complaints and the necessity and means of evaluation

of the sales performance so as to avoid repetition of mistakes and improve the sales techniques.

The seminar stressed on the importance of implementing the above indicated techniques of effective salesmanship but also foresaw the difficulties in implementing sales promotion activity as many societies were having a closed membership and could not sell their goods to non-members. The seminar, however, felt that better sales promotion activities could be undertaken already now among the members and afterwards when the societies open their stores to the general public and have to compete with the private traders on equal terms, the sales promotion activities should be extended to attract the general public to the stores.

#### 9. MEMBER EDUCATION

The main purpose of cooperative member education is to improve the personality of members so that they acquire useful knowledge and participate more effectively in the affairs of their cooperative organisations. They develop leadership qualities and team spirit.

The local cooperatives should undertake educational programmes for its members and prospective members.

##### Educational methods

Different types of educational methods were suggested. Some of them were:

1. Lectures, training classes
2. Group discussions, study circles
3. Demonstrative study tours
4. Publications and journals
5. Films, radio and other audio visual aids
6. Information service about goods and services for members and consumers



## 7. Educational advertising

Special programmes should be developed for education of different categories of members e.g. office bearers, board of directors, active members, women and youth, school going children.

The programme should keep in view the aims of consumers cooperatives, the number and nature of audience, contents to be conveyed and methods to be used on the basis of resources available.

The meetings of various committees and the general body meetings should be increasingly used for the purpose of member education. In each society there should be an education secretary/education committee. There should also be adequate funds for member education and leadership development. These local societies should receive support from wholesale societies and cooperative unions and the government in implementing their educational programmes.

The seminar appreciated the educational and welfare work being carried out by volunteers of (a) literacy corps, (ii) health corps.

Although many of these volunteers have been assisting in cooperative work, yet a more specialised approach was considered necessary for spreading cooperative idea among the public and assisting local cooperatives in their cooperative education and business tasks. It was therefore recommended that a special 'cooperative corps' should immediately be organised to work in rural areas and where necessary in towns for promotion of cooperative education with the help of local cooperatives. The graduates having specialisation in cooperation, economics, commerce and other social sciences should be preferred for the cooperative corps. It was hoped that the special corps will strengthen the hands of other corps.

The Central Cooperative Organisation should take initiative in the formation and maintenance of the corps. Such a corp will take forward the white revolution promulgated by His Imperial Majesty Shah Reza Arya Mehr Shehansha of Iran with

the help of his people and the cooperative movement.

#### 10. PERSONNEL MANAGEMENT AND TRAINING

In running a consumer cooperative society, the most important investment is the human beings e.g. employees as the salary costs involved are approximately 40 to 60 per cent of the total running costs of the society. Due to difficulties and nature of handling of human beings, and the importance of using them today and in the future retail business, matters relating to personnel management and training have to get high considerations by the management in a consumer cooperative society. However, matters relating to personnel managing and training have too often been neglected by the management resulting into low morale, low turnover of the society and ineffective services to the members. Therefore, it is of great importance that the management in a consumer cooperative society has to be more employee-oriented. The seminar discussed the following areas related to the subject e.g. (a) expectations of the management and employees and various motivation factors; (b) responsibility of the manager and the qualifications of the manager as personnel leader; (c) personnel planning; (d) job analysis; (e) personnel recruitment and induction; (f) merit rating and promotion; (g) training of employees; (h) salary and social welfare; (i) communication between the employees and the employer; (j) grievances and ways and means of their redressal, and (k) termination of employment.

The seminar felt that the relations between the employees and the management of a consumer cooperative should be as cordial as possible resulting in effective sales and good services to the members. The seminar stressed the importance of proper induction and training in the business lines as well as in the cooperative principles and practices objectives and targets of the society.

Also the internal communication is an important factor as it is one way which the employees feel involved in the process of decision making and therefore regular staff meetings should be conducted in which the management and the employees should give and take information and advice on matters concerning the image and business of the cooperative society.

The seminar also stressed on the importance of internal promotions which should be based on a proper merit rating.

The incentive pay scheme is one way to encourage the employees to put in better performance and this incentive pay should be given based on the employees' performance. The incentive pay should be based on certain productivity norms.

Grievances should be redressed quickly according to the laid down code of conduct. The seminar stressed the importance of creating a grievance committee or a staff council as a suitable forum for the employees for redressing grievance and discussing matters of mutual interest with the management.

The seminar also indicated importance of the proper distribution of duties and authorities among the employees and indicated that the written job description could be one important tool in a efficiently run cooperative store..

As matters related to personnel management and training are of national interest for the consumers the seminar felt that a national body should undertake staff training and be responsible for the development of a skilled management cadre, which will be of great use in the future to come. Advice concerning staff planning, recruitment and induction, salaries and welfare, communication, redressal of grievance etc. could also be given by such a national body to the consumer stores.

## 11. RETAIL PRICING POLICY

The main aim of consumer cooperatives is the maximum service and benefits for their members. They may also help in establishing prices in the market and thus help the consumer in general. There are different types of pricing policy which can be followed by consumer cooperatives for different commodities. These policies are market price policy, cost price policy, and active price policy. In following the active price policy, the cooperatives try to keep their prices slightly lower than market prices and maximise their surplus by increased turnover. This policy would help cooperative in getting the increased surplus and lower prices for the consumers. To achieve success following the active price policy the cooperatives have to be strong and their sources of getting supplies should be reliable and cheaper. The consumer cooperative movement of Sweden has been trying the active price policy.

The board of directors or the pricing committee of retail consumer cooperatives may lay down a pricing policy but its implementation should be left in the hands of <sup>a</sup> trained manager. The cooperatives should also have full independence in formulating their pricing and other policies.

## 12. STOCK TAKING AND STOCK CONTROL

The lecture dealt with two systems of stock control, Unit control and value control systems. Advantages and disadvantages of the two systems were also analysed. The value control system, as pointed out by the lecturer, was the most suitable system for a large society and is also flexible and simpler to operate. The delegation of responsibility so far as stock control is concerned was also discussed and it was pointed out that the societies should treat leakage/shortage of goods within a 'fixe' limit as an expense as it is impossible to run a store without any leakage/shortage. The lecturer also explained a

a simple and useful method for stock-taking and partly also the various ways and means of reducing leakage/shortage.

The seminar discussed with great interest the various stock control system and agreed that in a large society the **value** control system would be the future system. The seminar also suggested that some part of the leakage/shortage should be treated as an **expenditure** by the society. Both the value control system and the way of treating leakage as an expenditure is already practised in several stores in Iran.

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NATIONAL SEMINAR ON CONSUMERS COOPERATION  
TEHERAN, Iran. May 18-29 1969

P R O G R A M M E

Sunday, May 18 1969

- 8.00 - 9.00            1. Inaugural Session  
Welcome by Mr. Y. Shahbazi, Asstt. Prime Minister  
Address by Mr Ragnar Arvidsson, ICA Education Centre  
  
Inaugural address by the Minister on behalf of  
the Prime Minister of Iran.
- 9.00 - 9.30            Tea
- 9.30 - 10.30          2. Introduction to the activities of the Central  
Cooperative Organisation of Iran.  
by: Mr A.M. Fuzati, Director, Training Division  
Central Cooperative Organisation of Iran.
- 10.30 - 11.00        3. Introduction to the International Cooperative  
Alliance and its activities in South-East Asia.  
by: Mr Ragnar Arvidsson,  
ICA Education Centre, New Delhi
- 5.00 - 6.00 p.m.      4. Programme and Working Methods of the Seminar  
by: Dr D. Vir, ICA Education Centre.
- 6.00 - 6.30            Tea

Monday, May 19 1969

- 9.00 - 10.00          5. Presentation of activities, problems and plans of  
development by selected participants of their  
cooperative societies. (at least five participants).
- 10.00 - 10.30          Tea
- 10.30 - 11.30          Presentation of activities (contd.)
- 5.00 - 6.00            6. Consumer Cooperation in Iran - Historical  
development.  
by: Mr B. Kesvari, Training Division  
Central Cooperative Organisation, Iran.
- 6.00 - 6.30            Tea
- 6.30 - 7.00            Questions and observations.

Programme (2)

Tuesday, May 20 1969

- 9.00 - 10.00            7. Principles of Consumers Cooperation.  
by: Dr D. Vir, ICA/New Delhi
- 10.00 - 10.30            Tea
- 10.30 - 11.30            Group discussions.
- 5.00 - 6.30            8. Role of Consumer Cooperatives in Consumer Protection.  
- Panel discussion      Dr D. Vir, Chairman  
                                    Dr Nahid  
                                    Mr Saliki  
                                    Mr R. Arvidsson
- 6.30 - 7.00            Tea.

Wednesday, May 21 1969

- 9.00 - 10.00            9. Size and Structure of Primary Consumer Cooperatives (small versus large societies - societies with one or several shops.)  
by: Mr Parviz Pakshir, Training Division  
                                    Central Cooperative Organisation, Iran.
- 10.00 - 10.30            Tea
- 10.30 - 11.30            Group discussions.
- 5.00 - 6.30            10. Parliamentary Structure of Consumer Cooperative Societies.  
- Panel discussion      Mr Yousofi, Chairman (CCOI)  
                                    Mr Arvidsson  
                                    Dr D. Vir  
                                    Mr Parviz Pezeshkpour  
                                    Mr Parviz Pakshir.
- 6.30 - 7.00            Tea.

Thursday, May 22 1969

- 9.00 - 10.00            11. Organisation and activities of a central cooperative union and wholesale society.  
by: Mr Ragnar Arvidsson, ICA/New Delhi.
- 10.00 - 10.30            Tea

Programme (3)

- 10.30 - 11.30            12. Role and Activities of Wholesale and Supply Organisation of the Iranian Oil Company for employees' consumer cooperatives.  
by: Mr J. Maleknia, Managing Director of the Supply Organisation for the Cooperatives of Iranian Oil Industries Personnel, Teheran.
- 5.00 - 6.45            13. Shop Planning. Feasibility Study. Location. Size of cooperative shop etc.  
by: Mr Ragnar Arvidsson, ICA/New Delhi
- 6.45 - 7.00            Tea
- 7.00 - 7.30            Introduction (contd.)
- Friday, May 23, 1969            DAY OFF.
- Saturday, May 24, 1969
- 9.00 - 10.00            14. Super Market Operations.  
by: Mr M. Emam Jomeh, Asstt. Managing Director Supply Organisation for the cooperatives of Iranian Oil Industries Personnel. Teheran.
- 10.00 - 10.30            Tea
- 10.30 - 12.30            Group discussions on Session 13 and 14.
- 5.00 - 6.30            15. Personnel Management and Training  
by: Mr Ragnar Arvidsson, ICA/New Delhi
- 6.30 - 7.00            Tea.
- 7.00 - 7.30            Introduction (contd.)
- Sunday, May 25 1969
- 9.00 - 10.00            16. Member Education.  
by: Dr D. Vir, ICA/New Delhi.
- 10.00 - 10.30            Tea
- 10.30 - 12.30            Group discussions.
- 5.00 - 6.30            Plenary Session.
- 6.30 - 7.00            Tea.



Programme (4)

Monday, May 26, 1969

- 8.00 - 9.00                    Group discussions.
- 9.00 - 10.00                17. Formation of Capital in Consumer Cooperative Societies.  
by: Mr Behzadi, Training Division  
Central Cooperative Organisation, Iran.
- 10.00 - 10.30                Tea
- 10.30 - 11.30                Group discussions.
- 5.00 - 6.30                18. Techniques of Sales Promotion.  
by: Mr Ragnar Arvidsson, IGA/New Delhi
- 6.30 - 7.00                Tea

Tuesday, May 27 1969

- 8.00 - 9.00                    Group discussions.
- 9.00 - 10.00                19. Retail Pricing Policy in Consumer Cooperatives.  
by: Dr D. Vir, ICA/New Delhi
- 10.00 - 10.30                Tea
- 10.30 - 11.30                Group discussions.
- 5.00 - 6.00                20. Stock Taking and Stock Control.  
by: Mr Ragnar Arvidsson, ICA/New Delhi
- 6.00 - 6.30                Tea

Wednesday, May 28 1969

- 8.00 - 9.00                    Group discussions.
- 9.00 - 11.00                21. Extension Programme. Films and slides.
- Afternoon                    Study visits and report writing.

Thursday, May 29 1969

- 9.00 - 12.00                22. Presentation of draft report.  
Tea  
Thanksgiving and conclusion of the Seminar.
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NATIONAL SEMINAR ON CONSUMERS' COOPERATION  
TEHERAN (Iran). May 18-29 1969

List of Participants

1. Mr Yahia Moayed  
Head of the Board of Directors  
Agriculture Training Centre  
SHIRAZ. Iran
2. Mr Morteza Sadraee  
Member, Board of Directors  
Consumer Cooperative Society for  
Employees of Ministry of Education  
GOLPAYGAN. Iran
3. Mr Abbas G. Dalaei  
Head of the Board of Directors  
Cooperative Society of Employees  
of Ministry of Education  
KHOMAIN. Iran
4. Mr Hossein B. Shirazi  
Managing Director  
Consumer Cooperative Society for  
Employees of Army Machine Gun Factory  
Machine Gun Factory, Ave. Jalf  
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5. Mr A. Ashrafzadeh  
Managing Director  
Supply Organisation for the  
Cooperatives of the Oil  
Industry Personnel  
c/o NIOC  
AHWAZ Iran
6. Mr A. Rovghani  
Managing Director  
Cooperative Society of Iranian  
Railways in Ahwaz  
Railway Station, AHWAZ Iran
7. Mr Yavar Ghanbari Nasah  
Member, Board of Directors  
Consumer Cooperative for  
Fishermen in Bandar Abbas  
BANDER ABBAS SHILAT. Iran
8. Mr Jalal Naini  
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Railways Cooperatives Federation  
Social Services and Public Relations  
of Government Railways  
TEHERAN. Iran
9. Mr Ahmad Saboori  
Member of Board of Directors  
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11. Mr Mahmoud Ishahani-zadeh  
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13. Mr Mohammad Ali Zahediane Anaraky  
Managing Director  
Mining Department Coop Society  
Anarak Taavony Masaraf Nakhlak

List of participants (2)

14. Mr Ali Ghaeli  
Managing Director  
Cooperative Alliance for  
Consumption  
Maidane Shah, Emamian Firm  
ISFAHAN Iran
15. Mr A. Noori, Managing Director  
Workers Cooperative Society  
Zayandehrood Factory  
ISFAHAN. Iran
16. Mr M. Mahjoobi  
Managing Director  
Education Department of Boroojerd  
Koocheh Mahjoobi  
BOROJERD. Iran
17. Mr Mohammed Ali Mirzaie  
Managing Director  
Textile Cooperative  
SHAHI. Iran
18. Mr Seid Hossain Hashemi  
Member of Board of Directors  
Tobacco Cooperative  
TEHERAN. Iran
19. Mr Mohammad Bagher Rezaie Dadkhah  
Managing Director  
Shahrud Railway Cooperative  
SHAHRUD. Iran
20. Mr Feerouse Mazlumi  
General Manager  
Consumer Cooperative of Education  
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SARAB AZERBYDJAN Iran
21. Mr Abbas Fakhræe Nejad  
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Railroad Organisation  
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22. Mr Morteza Sedigh  
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Cooperative Society of Ministry of  
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23. Mr Seid Ali Bateni  
Managing Director  
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25. Mr H. Kambakhsh  
Member of Board of Directors  
Ganjineh Doostan Cooperative Society  
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26. Mrs Z. Ardebili  
Member of Board of Directors  
Planning Organisation Cooperative  
Society,  
PLAN ORGANISATION, TEHERAN Iran
27. Mr Mohamad Taghi Ghanei  
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Teheran Regional Electric Company  
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28. Mr K. Azimi, Managing Director  
Ministry of Labour and Social  
Affairs Employees Coop Society  
Chahar Rah, Lashkar No.577  
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List of participants (3)

30. Mr Amanalak Khederzadeh  
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Municipality of Tabriz  
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31. Mr Manochehr Firooz Bakhsh  
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Shirgan, Travers Factory  
MAZANDARAN Iran
32. Mr Ahmed Heydari  
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33. Mr Ahmed Mobserian  
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35. Mr Elias Mohammad Khani  
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Railways Officers Section No.149  
SARIE Iran.

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Joint Director (Administration and Finance)  
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2. Dr D. Vir, Joint Director  
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NATIONAL SEMINAR ON CONSUMER COOPERATION  
TEHERAN, Iran. May 18-29 1969

List of Documentation Submitted to the Seminar

Submitted by the ICA, New Delhi

1. Stock Control - Stock Taking. Ragnar Arvidsson
2. Shop Planning. Ragnar Arvidsson
3. Techniques of Effective Salesmanship. Ragnar Arvidsson
4. Personnel Management and Training. Ragnar Arvidsson
5. Retail Pricing Policy in Consumer Societies. Dr D. Vir
6. Member Education and Member Relations. Dr D. Vir
7. Parliamentary Structure in Consumer Coops in Sweden. R. Arvidsson
8. Principles of Consumers Cooperation. J.M. Rana
9. Organisation and Structure of Consumer Coops. R. Arvidsson
10. Management Control. Robert Staermose
11. Merchandise Display in a Coop Shop. Ragnar Arvidsson
12. Salesmanship in a Consumer Cooperative Society. Ragnar Arvidsson
13. Problems of Consumer Coops in Developing Countries. J.M. Rana

Submitted by the Iranian Cooperators

1. History of Iranian Consumer Cooperative Societies
2. Cooperative Wholesale, its objectives and organisation
3. Super Market Operations

Other material submitted by the ICA

1. Brochure - ICA Regional Office and Education Centre
2. Brochure - ICA Publications. Catalogue 1969 -
3. ICA Information Bulletin, March 1969 issue.
4. ICA Programme and Activities for 1969.

In addition to the above mentioned material in English, several papers in Persian were submitted by the Iranian host organisations.

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NATIONAL SEMINAR ON CONSUMER COOPERATION  
TEHERAN, Iran. May 18-29, 1969.

SELECT BIBLIOGRAPHY ON CONSUMER COOPERATION

Bowen, E.R. THE COOPERATIVE ORGANISATION OF CONSUMERS and its relation to producer and public organisations. Chicago, the Cooperative League of the USA. 1957. pp.87.

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Final REPORT OF THE COMMITTEE ON CONSUMER PROTECTION, London, Her Majesty's Stationery Office. 1962. pp 331.

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Edward, A. Brand, MODERN SUPERMARKET OPERATION. N.Y. Book Division, Fairchild Publications.

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## ICA PUBLICATIONS

Some of the important publications issued by the ICA Regional Office and Education Centre for South-East Asia, New Delhi.

1. Cooperative Leadership in South-East Asia. US\$ 1.05, or Indian Rs.8.00.
2. Role of Cooperation in Social and Economic Development. US\$ 1.35, or Indian Rs.10.00.
3. Agricultural Cooperative Credit in South-East Asia. US\$ 3.00, or Indian Rs.20.00.
4. Economics of Consumer Cooperatives (Cooperative Series 1) US Cents 40, Indian Rs.3.00.
5. Cooperation and Small Industries in South-East Asia (Cooperative Series 2) US Cents 20, Indian Rs.1.50.
6. Farming Guidance in the Cooperative Movement in Japan (Cooperative Series 3). US Cents 35, or Indian Rs.2.50.
7. Cooperative Education - Report of the International Conference. US\$ 1.00, or Indian Rs.7.50.
8. Education and Voluntary Movements. US Cents 90, Indian Rs. 6.50.
9. Manual for Study Circle Leaders. US Cents 70, or Indian Rs. 5.00.
10. Cooperative Education in India - An Approach. US Cents 5, Indian Rs.00.50.
11. Research in Cooperation in India - A Review. US Cents 75, Indian Rs.5.00.
12. Cooperative Trade Directory for South-East Asia. US\$ 2.00, Indian Rs.15.00.
13. Directory of Cooperative Press in S-E Asia. US Cents 15, Indian Re.1.00.
14. Directory of Cooperative Organisations in South-East Asia. US Cents 50, Or Indian Rs.3.50.
15. Trade Unions and Cooperatives. US Cents 25, Indian Rs.2.00.
16. Cooperative Housing. US Cents 25, Indian Rs.1.90.

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### ICA Journals

- Review of International Cooperation. US\$ 3.00, Indian Rs.22.50.
- Consumers Affairs Bulletin. US\$ 2.40, Indian Rs.18.00.
- Cooperative News Service. US\$ 1.80, Indian Rs.13.50.
- Agricultural Cooperative Bulletin. US\$ 1.80, Indian Rs.13.50.

Enquiries and orders may be addressed to the ICA Regional Centre, Post Box 3021, 43 Friends Colony, New Delhi-14. Payments should be made by way of Bank Draft drawn on any bank in New Delhi and be made payable to "the International Cooperative Alliance, New Delhi".

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